

Minutes
FINANCE COMMITTEE
Monday, July 15, 2013
City Hall, Room 310
5:30 p.m.

MEMBERS: Alders Amy Kocha, Tom De Wane, Andy Nicholson, and Tom Sladek

OTHERS PRESENT: Dawn Foeller, Attn. Tony Wachowitz, Asst. Attn. Kail Decker, Rick Jensen, and others.

1. Roll Call. All were present
2. Approval of the Agenda.

A motion to approve the agenda made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of June 11, 2013.

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

4. Request by the Finance Director to review and discuss the KICC project financing and timeline.

Finance Director Foeller turned this item over to John Mehan from Robert Baird to give a better explanation of the flow of funds and financing regarding the KICC project. The financing is slightly different than what is normally done, which is why Mr. Mehan is speaking.

Mr. Mehan explained that the work to be done regarding the financing is with the Redevelopment Authority of the City of Green Bay (RDA) and the City of Green Bay. Mr. Mehan wanted to meet with the Finance Committee upfront to speak about the process of financing for the project and how it moves along.

The concept is that the RDA would issue a lease revenue bond, which would be taxable. Bond council has taken a look at its purpose, its management contract, and there are a lot of variances that can "poison the water" and keep it from being done as tax exempt.

The RDA would be the issuer of the bond and/or debt and the City of Green Bay would be considered the borrower while the RDA would be leasing from the City. The bonds would then be sold to investors, who provide the proceeds. The flow is really that the investors and bond holders would provide the funds which are then transferred to the City in order to pay towards the construction. The actual owner will then be the RDA until the bonds have been paid off, then the property reverts to the City.

Having the RDA as the issuer allows the debt to amortize over a 30 year period instead of 20 years.

Ald. Tom Sladek asked why this is being done through the RDA and not directly with the City. Mr. Mehan replied with two reasons: "the flow of funds, we are looking to use room taxes to help support the debt service similar to how the current KI Convention Center is being funded and RDA can go longer than 20 years and we need a longer amortization in order to amortize the debt."

Mr. Mehan continued to explain the transaction summary that was provided. It is still in draft form at this time due to changing rates and the architects are still finalizing their plans.

Ald. Tom Sladek verified the process of why RDA is being used to issue the bond and Mr. Mehan explained that it also ties into the outstanding current KI Convention Center debt of the first construction of the convention center in 1999. The room tax commission revenue supports that current debt and would support a portion of the new offering.

Mr. Mehan stated that this was an overview of the flow on how the financing would work. The dollar amount and the timing are still unsure at this time. This item still needs to be discussed with the RDA and there will be a resolution presented at the RDA July 23 meeting and the Common Council Meeting on July 30 in order to receive direction to proceed.

A motion to receive and place on file made by Ald. Andy Nicholson, seconded by Ald. Tom Sladek, and carried to approve.

5. Report of the Purchasing Agent:

- a. Report the purchase of sixteen (16) vehicles through the V.A.L.U.E. Cooperative Purchasing Program in 2013 for \$332,500.

Purchasing Manager Rick Jensen stated that we have been using the V.A.L.U.E. program for many years and had included an attachment with a recap stating the facts about the program.

In August or September of this year, Purchasing Manager Rick Jensen will contact the different departments asking if they are able to provide a list of specifications of vehicles that they would be considering for the following year. That would then be provided to the V.A.L.U.E. group who will put out a public and competitive bid and if the vehicles are not approved we are not obligated to purchase.

A motion to receive and place on file made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

- b. Request approval to bid and award 2014 budgeted cars and light trucks through the V.A.L.U.E. Cooperative Program. City vehicle specifications are due to V.A.L.U.E. in September. Only awards for vehicles approved in the final 2014 budget are binding.

A motion to approve made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

- c. Request approval to award the purchase of Fire Rescue Equipment to Paul Conway Shields & Equipment for \$41,750.

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

6. Discussion and possible action on Oneida Tribe's request to designate certain properties as tax exempt.

Attn. Tony Wachowitz stated that we have a request by the Tribe to pick one of the two options outlined document provided to the committee members. The City currently has a pilot agreement in place whereby the Oneida Housing Authority pays the City approximately \$30,000 a year. In addition to that, the Oneida Tribe of Indians has also been paying property taxes. There has recently been consolidation of the two entities and this discrepancy was recently found. The Tribe is asking the City to choose either to have them pay just the property taxes or to honor the pilot agreement. The properties included in this agreement are separate from the service agreement.

A motion to go into closed session made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

With respect to Item #6, the committee may convene in closed session, pursuant to section 19.85(1)(g), Wis. Stats., for the purpose of conferring with legal counsel concerning strategy to be adopted by the city with respect to litigation in which it is or is likely to become involved. The committee may thereafter reconvene in open session pursuant to section 19.85(2), Wis. Stats. to report the results of the closed session and consider the balance of the agenda.

A motion to enter into open session made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

A motion to hold for one month made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

7. Report of the Finance Director.

Finance Director Foeller stated that there are a few items to be made aware of regarding the state budget.

- In reference to the List of Good and Bad Changes that was provided, the first three items involving general transportation aids funding for cities and villages increasing by 4%, transit operating aids program increasing by 4%, and paratransit aids increasing by 10% will not go into effect until 2015, which will not help next year's budget.
- The strict levy limits have been retained in the new budget. There is a new requirement that requires us to reduce its allowable levy by an estimated amount of fees that are collected. There are five particular services that if we add a fee it will directly reduce the amount of levy capacity that we would have; garbage collection, fire protection, snow plowing, street sweeping, and storm water management.
- The budget removes residency requirements except for emergency personnel, it limits the ability of municipalities to regulate the location of cell phone towers, establishes a new process for challenging the reasonableness of municipal fees; which puts the burden of proof on the municipality, and prohibits municipalities from enacting construction site erosion control and storm water management ordinances that are stricter than the state's standards.

The last item to be addressed is putting the budget time-line together:

Tentative date to distribute budget books:	October 15
Tentative date for the Joint Finance/ Personnel Meeting:	October 29
Tentative date for the Common Council meeting:	November 5

A motion to receive and place on file made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

A motion to adjourn and carried to approve.

2013 Contingency Fund
\$92,000

- 1) **THIS MEETING IS AUDIO TAPED:** THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.
- 2). **ACCESSIBILITY:** Any person wishing to attend who, because of a disability, requires special accommodation should contact the City Safety Manager at 448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 3). **QUORUM:** Please take notice that it is possible that additional members of the Council may attend this committee meeting resulting in a majority or quorum of the Common Council. This may constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
- 4). **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.